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John W. Clay
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June 16, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00184
Johnson County Gas Company, Inc.

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on June 16, 2008.

Executive Director

SS/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF JOHNSON) CASE NO. 2008-00184
COUNTY GAS COMPANY, INC.)

ORDER

On September 1, 1999, in Case No. 1999-00155, the Commission approved rates for Johnson County Gas Company, Inc. ("Johnson County") and provided for their further adjustment in accordance with Johnson County's gas cost adjustment ("GCA") clause.¹

On May 27, 2008, Johnson County filed its proposed GCA to be effective July 1, 2008. Johnson County amended its filing on June 4 and June 6, 2008.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Johnson County's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Johnson County proposes an expected gas cost ("EGC") of \$9.8973, which is \$.0978 per Mcf more than the previously approved EGC of \$9.7995.
3. Johnson County's notice sets out no refund adjustment.
4. Johnson County's notice sets out a current quarter actual adjustment ("AA") of (\$.2934) per Mcf for the period February 2008 through April 2008. Johnson

¹ Case No. 1999-00155, Application of Johnson County Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated September 1, 1999.

County's total AA is (\$3.4292) per Mcf, which is \$.2934 per Mcf less than the previous total AA.

5. Johnson County's notice sets out a current quarter balancing adjustment ("BA") of \$.2744 per Mcf. However, Johnson County calculated the BA as if it were an under-collection, when, in fact, it was an over-collection. Correcting for this error produces a current quarter BA of (\$.2744) per Mcf. Johnson County's total BA is (\$.3126) per Mcf, which is \$.2744 per Mcf less than the previous total BA.

6. Johnson County's gas cost recovery rate is \$6.1555 per Mcf, which is \$.47 per Mcf less than the previous rate of \$6.6255.

7. Johnson County's adjustment in rates is fair, just, and reasonable, and should be approved for billing for service rendered by Johnson County on and after July 1, 2008.

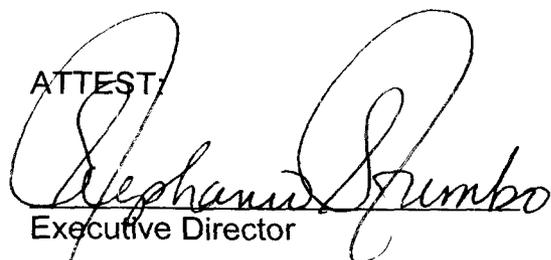
IT IS THEREFORE ORDERED that:

1. Johnson County's proposed rates are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after July 1, 2008.
3. Within 20 days of the date of this Order, Johnson County shall file with the Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 16th day of June, 2008.

By the Commission

ATTEST:


Executive Director

Case No. 2008-00184

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00184 DATED JUNE 16, 2008

The following rates and charges are prescribed for the customers in the area served by Johnson County Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Residential

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
Minimum Bill 0-1 Mcf	\$6.9542	\$6.1555	\$13.1097
All additional Mcf	\$5.9542	\$6.1555	\$12.1097

Commercial

<u>Monthly</u>			
All Mcf	\$6.3042	\$6.1555	\$12.4597